

## WEATHER FORECAST.

Increasing cloudiness followed by showers this afternoon or night and to-morrow.

Highest temperature yesterday, 70; lowest, 54.

Detailed weather reports will be found on editorial page.

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## THE BEST IN ITS HISTORY.

The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

# FORDNEY-McCUMBER TARIFF DEVELOPING SENATE INSURGENCY

Resentment Grows Against  
Bill Traced to Ambitions  
of Framers.

## PERIL OF PARTY BREAK

Republican Senators, Unin-  
fluenced by Farm Bloc,  
Demand Delay.

## FEAR ELECTION EFFECT

Want Measure Constructed on  
Sound Lines by Committee  
of Experts.

By LOUIS SEIBOLD.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,  
Washington, D. C., May 16.

The attitude of many Republican Senators toward the Fordney-McCumber tariff bill, now being dissected in the upper house, brings into mind two famous criticisms of the last tariff measure put through Congress by their party.

When the Payne-Aldrich tariff measure was originally passed in 1909 the late J. P. Dilliver, a Senator from Iowa and one of the pioneers in the successful insurgent movement in the Republican party, made this observation:

"This year has witnessed the perpetration of the two greatest fakes of the century—the discovery of the North Pole by Dr. Cook and the Payne-Aldrich tariff bill."

Four years later, when the same measure was being perfected, Albert Jeremiah Beveridge, then a Senator from Indiana (and now again a candidate), characterized it as the work of the "Taft-Aldrich-Lodge-Roosevelt combine and rank with injustices."

Mr. Beveridge's criticism was recalled by some Democratic Senators to-day in discussing the inadequacies of the pending bill pointed out by their Republican associates who are not affiliated with the agricultural bloc.

Described as Monstrous.

Republican Senators who do not acknowledge the right of the "dirty farmer" element in the national Legislature to dictate tariff legislation describe the Fordney-McCumber measure as a "monstrous" bill. Most of the Democratic colleagues who concur in this estimate of the bill express the hope that the Republican majority will pass it as there will be a revulsion of popular opinion against it quite as decisive as that which followed enactment of the Payne-Aldrich tariff bill and eventually split the Republican party.

Republican Senators who concede certain reasonable privileges to the agricultural interests frequently have characterized the Fordney-McCumber measure as "amateurish, ill considered and unnecessary" in the present condition of business both at home and abroad. They say the same thing about the bonus bill, which originated in identical quarters, and like the tariff measure, was framed with the idea that the American farmer is demanding a bill of which eventually he will become the victim.

There appears to be a genuine demand among many Republicans that the tariff be treated as a business and not a political proposition and that it should provide a reasonable amount of protection to all the elements of the population instead of only one. Speeches by Republican as well as Democratic Senators have reflected a profound conviction that both parties should cooperate to authorize the Tariff Commission to work out a system better adapted to the economic needs of the country than is provided by the pending measure.

## Scientific Policy Not Observed.

This policy was not observed by the Fordney and McCumber committees, although a provision was incorporated giving to the President authority to make or amend a reasonable amount of protection to all the elements of the population instead of only one. Speeches by Republican as well as Democratic Senators have reflected a profound conviction that both parties should cooperate to authorize the Tariff Commission to work out a system better adapted to the economic needs of the country than is provided by the pending measure.

In their zeal to please certain agricultural interests of the country the Fordney and McCumber committees are declared by both Republican and Democratic members of the two houses to have ignored every other consideration. The charge was made in the Ways and Means and Senate Finance committees that the chief influence which dictated the construction of the pending tariff bill was of a purely personal character.

Schedules were framed, it is declared, for the sole purpose of winning members of the two committees to support the ambition of Messrs. Fordney and McCumber to report the measure to their respective houses. That is the generally accepted version of the manner in which the bill was passed by the House and sent to the Senate.

Credit is given to members of the two committees for having compelled the acceptance of proposals designed

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## Living Cost Still 75% Higher Than Before War

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,  
Washington, D. C., May 16.

THE cost of food, shelter, clothing and the primary necessities is now approximately 75 per cent. greater than before the war, despite a general price decline that began in July, 1920.

The Department of Labor says that while the food price level has reached a point only about 40 per cent. above 1913, the level of prices of other necessities has failed to decline in like proportion. Clothing is still far above the prewar level, while the cost of shelter, or rents, has not declined. Rents will decline soon, officials say, if the present rate of new construction of dwellings and apartment houses continues throughout 1922.

## PEOPLE'S \$2,500,000 KEPT DIER UP A YEAR

Firm Earned Only \$22,824 but

Paid \$465,000 Salaries,

Says Accountant.

By LOUIS SEIBOLD.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,  
Washington, D. C., May 16.

Many Stocks and Bonds Gone  
From \$210,287 Account—  
\$108,000 in 'Dividends.'

Customers of the bankrupt E. D. Dier & Co. learned yesterday where their money went. Their funds and net profits supported the firm, which really earned little more than \$20,000 last year, it was said.

At a hearing before Seaman Miller, referee, it was testified by Bernard J. Reis, an accountant for the trustee in bankruptcy, that the firm from January 1, 1921, to the day of the failure, January 16, 1922, spent more than \$2,500,000 despite its small earnings.

The figures were a surprise even to those who have been following the case closely, for although gross mismanagement has been shown, the actual figures went beyond anything hinted at.

Here are some of the expenditures by the firm in little more than a year:

Statistical service	\$15,000
Traveling and entertaining	11,000
Stationery	11,000
Postage	11,000
Telephone	11,000
Telegraph wires leased	11,000
Dividends paid customers	108,000
Errors and deficiencies	465,000
Salaries	465,000

Ostensibly a brokerage house makes its money out of the commissions its customers pay. It is customary, too, for brokers to make secret charges out of commissions a slightly higher rate than that at which the firm borrows and Dier & Co. as the accountant showed on questioning the total charges of \$465,000 on the interest account than on the commissions account, but had to pay nearly all of it to other brokers in order to have the orders executed.

## Dier Got \$310,000 in Year.

The gross receipts from commissions and interest for the year were \$492,824. For executing orders Dier paid in commissions and interest to other houses \$479,000. The actual net income of \$22,824. Yet testimony at previous hearings was that in the same period Dier drew \$310,000 in cash, and the other brokers likewise had drawing accounts involving large sums.

Of the \$492,824 actually earned \$165,000 was obtained in commissions from customers. The interest charges of \$479,000 were being more than \$2,500,000 and the failure having been for about \$4,000,000 the record is clear for about half the amount involved in the case.

Under a general heading of "administrative expenses" prepared by Mr. Reis and totaling \$1,600,000 it was shown that almost \$200,000 went for the maintenance of branch houses. There was one lump sum charge of \$115,000. The salary item, which was separate and distinct from the money Dier and the other brokers drew, was \$445,000. In connection with the \$35,000 for lunches in one year—it was noted by Mr. Reis under Mr. Hays's direction that this was in addition to the \$6,000 before for lunches in the petty expense account.

## 'Dividends' Were \$108,000.

It already had been shown that Dier & Co. sold the assets of their customers. The customers, believing their stocks to be still in Dier's hands, expected to receive dividends, which as a matter of fact the concern could not collect. The amounts paid by Dier to make payments of dividends when due out of its cash on hand. The total of these payments for the year, said Mr. Reis, was \$108,000, which, of course, was a net loss.

The errors and deficiencies account, with its total of \$210,287, had been charged with many stocks and bonds, according to the testimony, but "they had disappeared," said the witness. He also found an item in this account of \$7,022 charged against a William Tablonsky. In explanation the witness said he understood there had been a default in the uptown office of Dier & Co. but this was not explained.

The witness said the expenditures of \$2,500,000 did not include the speculative losses of the firm. A "put and call" account was included, and this showed a loss to the firm of \$4,395 for the year. Mr. Reis said that his totals did not show the amounts paid by Dier to brokers belonging to the New York Stock Exchange for the purchase of listed securities on which Dier & Co. made no money, and \$520 State taxes. On the other hand it paid out \$55,000 for counsel fees. All told, Mr. Reis said, he believed the total losses would be much more than the \$4,000,000 mentioned in the first estimate than \$10,000,000.

The accountant also had gone into the finances of the El Progreso gold mines in Mexico, which Dier had utilized to reassure uneasy customers and which he contended would supply funds where-

Continued on Page Eight.

# PINCHOT AND ALTER CLOSE, PEPPER WINS IN PENNA. PRIMARY

Alter Leading for Governor  
in 4,096 of 7,934 Dis-  
tricts by 21,000.

## SENATE RACE EASY

Early Returns Show Burke  
Defeated by 157,000 in  
2,945 Districts.

## WOMEN CAST BIG VOTE

Former Forester Runs Far Be-  
hind Opponent for Govern-  
nor in Cities.

PHILADELPHIA, May 17 (Wednesday).

Returns early to-day indicated that the contest for the Republican nomination for Governor at the primary election yesterday was one of the closest in years.

With more than half the State heard from, Attorney-General George E. Alter was leading Clifford Pinchot by about 21,000.

For the Republican nomination for United States Senator to fill the unexpired term of the late Senator Boies Penrose, George Wharton Pepper of Philadelphia, present Senator by appointment of the Governor, is leading by a substantial majority over Congressman-at-Large William J. Burke of Pittsburgh. Returns from 2,945 districts out of 7,934 in the State gave Pepper 282,510 and Burke 125,689.

Returns from 4,096 out of 7,934 in the State gave Alter 302,888 and Pinchot 288,274.

Pinchot was leading Alter outside of Philadelphia and Allegheny county in which Pittsburgh is situated. The vote from 2,593 out of 5,183 districts outside of Philadelphia and Allegheny gave Alter 112,413, Pinchot 139,135.

Returns from 1,043 districts out of 1,430 in Philadelphia gave Alter 151,346 and Pinchot 76,569. Figures from 460 districts in Allegheny county out of 1,318 gave Alter 46,120 and Pinchot 19,697.

There were close contests in several Congressional districts, but the count in these was slow because of the interest in the contest for the Republican gubernatorial nomination.

Returns at 2:30 A. M. showed that Pinchot was leading in sixty-one of the sixty-seven counties in the State. Alter was leading in Allegheny, Dauphin, which includes Harrisburg; Delaware, the home of Gov. Sprout, who supported Alter; Fayette, home county of United States Senator Crow; Republican State chairman; Greene and Philadelphia counties.

David A. Reed of Pittsburgh, Republican, was nominated for the unexpired term of the late Senator Knox and also for the full term beginning next March. James A. McSparran had no opposition for the Democratic nomination for Governor. Samuel E. Shull had no opposition for the Democratic nomination for the Knox Senatorial term and for the full term beginning next March. Fred E. Kerr also had no opposition for the Democratic nomination for the unexpired Penrose Senatorial term.

The results show that the women cast a large vote in the State.

## U. S. AMONG LARGEST MORPHINE EXPORTERS

Hymans Says Opium Is Find-

ing Its Way to New Countries.

GENEVA, May 16 (Associated Press).

The United States is one of the largest morphine manufacturing and exporting countries in the world, Paul Hymans, chairman of the Council of the League of Nations' commission on opium, said this afternoon. Mr. Hymans was discussing recommendations made at the recent meeting of the Opium League's consultative commission on opium.

The council of the league unanimously approved the report of the recent meeting, at which Mr. Wright of Washington, D. C., represented the United States. The report, which has already been published, calls for a series of measures for control of the traffic and later for limitation of production of opium to needs for medical purposes.

Mr. Hymans declared opium was finding its way to natives of countries where the drug heretofore was unknown. He said the commission was determined, if possible, also to stamp out the use of cocaine.

## Judgment for \$1,063 Greets

Zichy Week After Wedding

A judgment for \$1,063.24 was filed yesterday in the office of Sheriff Porcival E. Nagle against Count Edward George Zichy, young Hungarian nobleman whose marriage last Tuesday to Miss Charlotte Gardiner Doremont came as a surprise. S. J. Goldberg is the judgment creditor. A deputy will make a search for property to-day.

The Countess Zichy, as Miss Doremont, was engaged to wed George Burton, son of the late Max Bernheimer, within a few days of the ceremony, which was performed in the Marriage License Bureau in the Municipal

WHITE SULPHUR SPRINGS—Glorious now

for rest and sport. Golf, tennis, horseback

riding, fishing, boating, etc. Famous baths. Overnight from N. Y.—Adv.

## Winter Overcoats Cut Capacity of Cars 10%

THE manager of a Herald square clothing store has a bent for statistics. He also is a faithful reader of news of the overcrowded subways. He wrote recently to the Interborough Rapid Transit Company, saying that he had found by actual test that 190 winter overcoats might be compressed into a bulk twelve feet thick.

Then his deduction ran like this: If the Interborough cars at times last winter carried a loading of 220 per cent., as was proven in the Transit Commission's service investigation, the discarding of winter overcoats gave an added capacity of 10 per cent. in each car. Therefore, if 220 could be jammed into a single car wearing winter wraps, it ought now to be made to accommodate 242 passengers. The same authority is said to be figuring upon the added capacity per car, that may be gained after June 1, when most persons may be supposed to have taken to lighter underwear.

## TWO CUBAN BANKERS ORDERED DETAINED

Herman Uppmann and Brother

Albert Must Explain Clos-

ing of Institution.

\$1,028,517 FOR U. S. TRIP

Report to Clearing House in

Havana Tells of Entries In-

volving \$2,800,000.

HAVANA, May 16.—Herman Uppmann, president, and his brother, Albert Uppmann, of the German-German banking firm of H. Uppmann & Co. were detained to-day on orders from Ricardo Lancia, Attorney-General.

The detention of the brothers was in connection with the bank which failed to open for business May 1, and was taken over by May 12 by the bank liquidation commission, after members of the Havana clearing house declined to come to its assistance.

The order of the Attorney-General to detain the Uppmanns followed closely upon the submission of a report to the bank liquidation commission by Angel G. del Valle and Carlos M. Santolongo, who made an examination of the bank books especially in connection with certain information alleged to have been given to the Havana clearing house by accountants delegated to report on securities offered by the bank to secure a loan of \$2,000,000 which the clearing house members were asked to make.

In a report to the clearing house was a statement alleging that the bank's books showed an entry of \$1,028,517 as "expenses of Herman Uppmann in Washington to secure the return of property sequestered as a result of the war." Another statement set forth that \$1,891,650 of securities deposited by clients have been hypothecated by the bank without the written but with the verbal permission of the owners.

It is added that \$27,000 had been pledged without the bank admitting that even verbal permission had been secured.

## HER \$128,000 NECKLACE

RETURNED BY FINDER

Marquise de Amodio's Pearls

Lost in Taxicab.

PARIS, May 16.—After twenty-four hours of anxiety caused by the loss of her pearl necklace valued at 1,400,000 francs (approximately \$128,000) the Marquise de Amodio, formerly Miss Josephine Walnwright of St. Louis, had the good fortune of having it returned to her by the finder.

A man who hired a taxicab yesterday shortly after the Marquise had left it found the necklace on the floor of the car. To-day he turned it over to the police, which has already been immediately notified of her loss.

## CITY BUYS POWER PLANT.

Los Angeles Pays \$12,044,000 for

Edison Company Properties.

LOS ANGELES, May 16.—The city of Los Angeles to-day took over the distributing properties of the southern California Edison Company which lie within its boundaries under a purchase contract by which the company was paid \$12,044,000 in cash.

The city also agreed to purchase at wholesale all of the electric power it may require which is not generated from its aqueduct. The power purchase contract is to continue thirty years unless cancelled by a vote of the people, but such cancellation cannot be made until after ten years.

## Spy Squad Changed.

Henry R. Linville, president of the Teachers' Union, declared that Aaron I. Doty, once an instructor in Latin in DeWitt Clinton but now associated with the faculty as a promoter of discipline, had preferred the charges against Lapolla and Goldblum. Mr. Linville declared that Mr. Doty was the commander of what DeWitt Clinton knows as Doty's Squad—an intelligence body of students reporting questionable statements made or alleged to have been made by teachers.

Mr. Roe made strenuous attempts to learn the names of accusers and learned that at least one case the accusation was anonymous. A fifth teacher was awaiting a hearing, but was told to return next Tuesday. She is Miss Sarah Hyams, cooking teacher in Public School 65. She is before the council on revived charges. About a year ago she was before the Board of Education for having signed an application for membership in what was then the left wing organization of the Socialist party. Inasmuch as she did not join nor contribute any funds to the radicals she was dismissed with a reprimand. The same charges are preferred against her this time.

Sitting in the council yesterday were Mr. Frazer, Mr. Stevenson, Miss Olivia Leventritt, Condo B. Pallen and Finley J. Shepard. The meeting was held in

The Best Writing Papers

are Writing Papers—Adv.

Continued on Page Eight.

# TEACHERS' LOYALTY TESTED IN SECRET BY STATE COUNCIL

Four Called to Explain Any  
Acts or Statements of  
Their Lives.

## ONE SERVED IN A. E. F.

With Comrade Is Queried  
on Plea for Conscientious  
Objectors in 1917.

## SPY SYSTEM CHARGED

Doubting German Atrocities  
and Losing Pledge Card Are  
Among 'Offenses.'

Four teachers in the public schools were before the State Commissioner of Education's advisory council on the qualifications of teachers yesterday to explain, if they could, why they should not be charged with an assortment of things ranging from losing loyalty pledge cards and thinking the United States Government might take a more liberal view of the conscientious objector to military service, to saying that they thought the stories of German atrocities might have been exaggerated.

At the close of the hearings, from which the public was barred, Archibald E. Stevenson, secretary and counsel for the body, and Hugh Frayne, the chairman, explained that secret hearings had been decided upon in the interests of the teachers. In addition they declared that anybody was privileged to make a charge against a teacher, and that it made no difference inside or outside the classroom, how she might be accused by any person who deemed such accusation to be in the interests of the school children.

Mr. Frayne and Mr. Stevenson went on to explain that any act or speech made by a teacher at any period in the teacher's career might be used as the basis for complaint. The teacher, they explained, was called before the council and asked to deny it or justify himself or herself.

## Doubted German Atrocities.

The four teachers up before the council yesterday were Garibaldi M. Lapolla, of De Witt Clinton High School, Charles Ham of Stuyvesant High School, Simon Goldblum of De Witt Clinton and Miss Horowitz. Miss Horowitz was asked to explain why her loyalty pledge card was not on file at Albany. She said she was told that their loyalty to the United States Government had been questioned because they had signed a letter published in the New Republic in 1917 calling upon President Wilson to try to assassinate the German emperor.

Mr. Lapolla said his service in the Medical Corps of the A. E. F. in June, 1917, and his subsequent service in the artillery branch should answer the question of his loyalty. Mr. Ham declared his utter loyalty and, like Mr. Lapolla, declared that his signature to the conscientious objector letter was the result of his private views at the time. Mr. Goldblum was accused of doubting the entire truth of all German atrocity stories.

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# DOOR NOT CLOSED ON RUSSIA, WHITE HOUSE MAKES PLAIN

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,  
Washington, D. C., May 16.

SECRETARY OF STATE HUGHES'S note declining the invitation to participate in the proposed Hague conference does not close the door to American participation in possible plans that may be marked out after The Hague conference to deal with the Russian problem. This was announced at the White House to-day and was later reiterated in other official quarters.

There is no withdrawal from the position taken in the Hughes note. The United States continues to believe that, in view of the conditions that must necessarily surround The Hague conference as planned, no good can come to any one. These conditions, it is believed, will be similar to those which prevailed at Genoa and will meet with the same insuperable difficulties. The declaration that the door is open to further proposals is described as in line with that part of Secretary Hughes's note which said this Government would be willing to give serious attention to any proposals that may come from the Genoa conference or any other conference or group.

Official of the Government pointed out that a continuation of